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SUMMARY

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Mongolia

INDUSTRIAL DEVELOPMENT IN THE MONOGOLIAN PEOPLE'S REPUBLIC

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INDUSTRIAL DEVELOPMENT IN THE MONGOLIAN PEOPLE'S REPUBLIC

by

L. Gurshav

Before 1921 a natural form of economy combining the existence side by side agriculture and artisanal industry prevailed in Mongolia. Although trade based on currency was only very weakly developed, capital for commerce on the basis of usury nevertheless existed and merchants established a link between our country and the outside world. The output of handycrafts to meet individual orders or for sale on the market was embryonic; there were only handycraftmen's (shoemakers, jewellers, carpenters, shops producing religious articles, etc.) and a limited number of small enterprises working with manual labour and primitive means of production. The valuable mineral deposits which are abundant in our country (coal, iron ore, non-ferrous metals, building materials, etc.) were hardly extracted. Modern factories and plants for the processing of agricultural raw materials did not exist either. In other words, industrial production in its modern sense was absent.

The liquidation of feudal productive relationships and the expulsion of foreign capital based on usury on one hand, and the birth of a socialist sector in the national economy together with the creation of a firm ground work for non-capitalist development on the other hand were the basic elements which determined the creation and growth of mechanized industry in our country.

Availing themselves of their newly-won power, the Mongolian people undertook, with the assistance of the USSR, the creation of the most important prerequisite for non-capitalist development — industrial construction. Several industrial enterprises, erected for the first time on Mongolian soil, were put into operation as early as in the early 1930's; a large industrial combine consisting of several plants in Ulan-Bator, a machine repair factory, and an electric power station. Automobile transport followed by railroads was introduced.

In recent years new deposits of valuable minerals have been discovered. On the basis of the rich national resources of the country, such branches of industry as oil, ore and coal extraction, production of fuel and power, metal processing, wood processing, leather and footwear, paper and pulp, polygraphy, pharamaceuticals, etc. have been created and are developing rapidly. In this connection it is important to emphasise that our young industries are equipped with a most up-to-date technology. The Soviet Union, the Chinese People's Republic, Czechoslovakia, the German Democratic Republic, Hungary and other nations of the Socialist camp rendered and continue to render invaluable technical assistance to the economy of the Mongolian People's Republic, particularly in the introduction of new technology.

The results achieved through the industrialization of Mongolia are well illustrated by the fact that the industrial production over the past ten years has increased nearly fourfold.

The relative importance of group "A" in the overall output of industrial production increased from 25.3% in 1952 to 50.9% in 1960. The production of industrial goods per capita is increasing each year. For example, 3.5 times more electric power was produced per capita in 1959 than in 1952.

As a result of this effort the Mongolian People's Republic, which in the recent past was a backward cattle-breeding country, became an industrial-agrarian State.

The victory of the socialist system of production in the entire economy of this country has given the Mongolian People's Republic the aim of completing the creation of a material and technical basis for socialism. Further industrialisation of the country and intergraded mechanisation of agriculture constitute the basic milestone on the way towards the creation of the material and technical basis of socialism. Today the Mongolian people are enthusiastically beginning to implement the third Five-Year Plan for the development of the national economy (1961-1965). When this plan is fulfilled,

Mongolia will have taken an important step on its way to becoming an industrial-agrarian country.

As a result of the growth of socialist industry, our working class has grown in number and its skill has improved. The number of workers has increased 6.4 times in comparison with the 1940 level. The guiding role of the working class is steadily and inevitably growing. The indivisable bond linking the working class with the cooperative peasantry is constantly made stronger while the political and moral unity of the entire people is reinforced.

Our workers are successfully introducing new modern equipment and progressive productive techniques.

Consequently, the industry of the Mongolian People's Republic is the expression of the broad application of science and technology for the production of goods and services. The electrification of the economy and the all-round utilization of electricity in social and cultural institutions and in the homes of the people provide a vivid testimony of this.

Technological progress, improvement of the organization of production, and the rising cultural and technical level of the workers ensure the systematic growth of labor productivity.

The economic support received from socialist countries was one of the most important conditions that led to the industrialization of our country. Because of extreme economic backwardness, our country would not have been able to cope with the problem of industrial development in such a short period of time without the friendly assistance of the other Socialist countries.

Socialist industry is in fact the most outstanding achievement of the Mongolian people and is the direct result of the policy waged by the People's Government. Our success shows how the huge difficulties that confronted the development of our country have been overcome.

The goals of the Third Five-Year Plan in the field of industry consist in ensuring the priority development of the provision of fuel and energy as a basis for further industrial development through the comprehensive utilisation of our very abundant natural resources.

In 1965 according to the Third Five-Year Plan the entire output of industry will amount to 1,224.5 million tugriks. This means that output will increase twofold by 1965; this includes the most important commodities; for example: hard coal extraction -- 2.2 times, electric power -- 3 times, building materials -- 3.2 times, extraction of rare metal ores -- 2 times, metal processing and maintenance work -- 1.16 times, leather goods and footwear -- 1.6 times, textiles -- 2.2 times, foodstuffs -- 2.2 times. The assortment of industrial goods will be considerably expanded.

This industrial development will be achieved through the construction of new industrial units and the reconstruction of several existing enterprises, and through the improved efficiency of the existing productive forces. Clearly, investments, which are considerable for our country, will be required in order to construct new units and reconstruct existing enterprises.

Investment in industry will amount to 1.85 billion tugriks for the period of the Five-Year Plan or to 39.8% of total investments on a nation-wide basis.

A more rapid rate of development in socialist industrialisation will raise the economy of the Mongolian People's Republic up to the level of the countries of the Socialist camp.

This in turn will make it possible for our country the opportunity to pass over to a communist society more or less simultaneously with the other socialist nations.

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